



DEPARTMENT OF PARKS AND RECREATION

Division of Boating and Waterways

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THE REGULATORS INFORMATION LETTER

April 23, 2019

If a yacht broker subscribes to a Private Label Search (PLS) service and does not have all proper disclaimer language (see below) on each of his/her PLS advertisements, the yacht broker will be found in violation of Harbors and Navigation Code(s) sections 716 and 732 and will be subject to disciplinary action against the broker's license and assessed penalties of up to \$1500.00 per violation.

All yacht broker PLS advertisements of boats for which the yacht broker does not have an exclusive listing agreement shall clearly and prominently identify the actual listing broker/brokerage that has an exclusive listing agreement for that boat. Each PLS advertisement shall have all of the disclaimer language shown below in bold font size that is equal to or greater than the font size found in the rest of the advertisement:

"THIS BOAT IS SUBJECT TO AN EXCLUSIVE LISTING AGREEMENT WITH (NAME OF ACTUAL LISTING BROKER and LISTING BROKER'S ACCURATE BUSINESS TELEPHONE NUMBER) AND IS NOT OFFERED FOR SALE BY (Name of advertising broker). The advertising broker is merely providing this information in an effort to represent you as a buyer in the purchase of this vessel."

All brokers have the option to opt out of the PLS service by not allowing other brokers to advertise your boats. And, once a broker has opted out of the PLS service, if any broker is found to be continuing to advertise a boat for which he/she does not have an exclusive listing agreement, that broker will be found in violation of Harbors and Navigation Code sections 716 and 732.

The above disclaimer language was provided to all licensed yacht brokers in two Information Letters dated November 2014 and November 2015. However, non-compliant advertisement of other brokers' listings have continued. Therefore, if a broker's PLS advertisement appears online after May 15, 2019 that does not contain ALL of the disclaimer language displayed in the manner required above, it will result in an immediate action against the violating broker's license. Violations found online after May 15, 2019 shall be penalized.

If you have questions, please contact Marinda Isley, Licensing Enforcement, Yacht and Ship Unit at (916) 327-1839.